



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

December 1, 2000

Clay Peck
Peck Rock and Products Co. LC
1512 North 1300 East
Lehi, Utah 84043

Re: Formal Approval of Transfer of Notice of Intention to Commence Large Mining Operations and Form and Amount of Replacement Reclamation Surety, Powell Mine, M/049/004, Utah County, Utah

Dear Mr. Peck:

On September 7, 2000, we received the completed Transfer of Notice of Intention of Large Mining Operations to transfer the Powell large mining project located in Section 3, T6S, R1W and Section 34, T5S, R1W, Utah County, Utah from Interstate Brick Company to Peck Rock and Products Co. LC. On October 13, and November 17, 2000, we respectively received a replacement reclamation surety bond #S260000 in the amount of \$190,400, issued by Employers Mutual Casualty Company, and a replacement Reclamation Contract for the Powell Mine.

The Division Director signed and executed the transfer document, the Reclamation Contract and Surety Bond on December 1, 2000, *which effectively transfers the responsibility of this mining operation and reclamation to you.* A copy of the executed documents are enclosed for your files. Peck Rock and Products Co. LC is now the official party responsible for all mining and reclamation obligations for the Powell Mine.

The Division hereby officially releases Interstate Brick Company from any further mining or reclamation responsibilities at this large mine site. Thank you for your help in finalizing this transaction. If you have any questions or concerns regarding this letter, please contact me at (801) 538-5286 or Lynn Kunzler at 538-5310. Best of luck with your new mining venture.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

Enclosures: Transfer form, Reclamation Contract, Surety

cc: Bob Pruitt III, Attorney, Pruitt, Gushee, Bachtell w/encl

John Blake, SITLA (ML-17806) w/encl

Jerry North, Interstate Brick w/transfer form

M49-04-apv



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

November 29, 2000

TO: Lowell P. Braxton, Director

THRU: Pamela Grubaugh-Littig, Acting Associate Director *pgl*

THRU: Wayne Hedberg, Permit Supervisor *DWH*

FROM: Lynn Kunzler, Senior Reclamation Specialist *LK*

RE: Request for Approval of Large Mine Transfer and Form and Amount of Replacement Reclamation Surety, Powell Mine, M/049/004, Utah County, Utah

In March 2000, the Division received word that the Powell Mine was going to be transferred to Peck Rock Products, Co, LC from Interstate Brick Company. We required that a transfer document be submitted and that the new operator replace the existing reclamation surety currently posted by Interstate Brick Company. On September 7, 2000, we received the completed transfer documents, which were initiated in March 2000.

Peck Rock Products has recently provided the Division with a replacement Reclamation Contract and a surety bond for \$190,400 issued by Employers Mutual Casualty Company. The surety company has an "A" rating and is on the federal register listing of acceptable bonding companies. The Division's legal counsel has reviewed the documents for accuracy.

When the transfer of this mine is completed, the new operator proposed to revise the mining and reclamation plan. The surety amount will be adjusted accordingly at that time. Therefore, no adjustment was made to the reclamation surety amount at this time. The current surety is escalated to year 2003.

If you are in agreement with the acceptance of the transfer of this large mine project from Interstate Brick Company to Peck Rock Products. Co., LC, and the replacement reclamation surety, please sign and date the attached documents. We will then issue final Division approval for this permit transfer of the Powell Mine. Thank you for your consideration of this request.

jb
Enclosure: MR-RC & surety
M49-04-dir-mem

File Number M/049/004
Effective Date Dec 1, 2000

Other Agency File Number _____

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

RECEIVED
DEC 1 2000
SALT LAKE CITY, UTAH

RECLAMATION CONTRACT
---ooOoo---

For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.)
(Mineral Mined)

M/049/004
Clay

"MINE LOCATION":
(Name of Mine)
(Description)

Powell
@ 1 mile SW of Saratoga Spring
Utah

"DISTURBED AREA":
(Disturbed Acres)
(Legal Description)

74
(refer to Attachment "A")

"OPERATOR":
(Company or Name)
(Address)

Peck Rock and Products Co. LLC
1512 W. 1300 E.
Lehi, Utah 84043

(Phone)

801-768-4139, 801-768-8111

Cell. 368-3937

"OPERATOR'S REGISTERED AGENT":

(Name)
(Address)

Clay Peck
2681 E. 360 S.
Lehi UT. 84043
801-768-4139, 801-368-3937

(Phone)

"OPERATOR'S OFFICER(S)":

Clay Peck
Cole Peck

"SURETY":

(Form of Surety - Attachment B)

Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

Employers Mutual Cas. Co.

"SURETY AMOUNT":

(Escalated Dollars)

\$190,400

"ESCALATION YEAR":

2003

"STATE":

"DIVISION":

State of Utah
Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Peck Rock and Products, Thomas J. Peck the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M/049/004 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated October 19, 1978, and the original Reclamation Plan dated October 19, 1978. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's

request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

STATE OF UTAH
DEPARTMENT OF HERITAGE
DIVISION OF OIL, GAS AND MINING
SALT LAKE CITY, UTAH 84114

OPERATOR:

Peck Rock and Products Co. LC f Thomas J. Peck and Sons, Jr.
Operator Name

By Clay Peck
Authorized Officer (Typed or Printed)

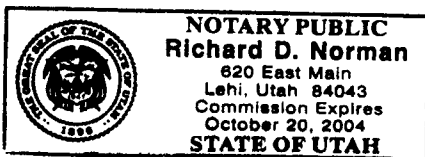
Managing Member
Authorized Officer - Position

Clay T. Peck
Officer's Signature

Nov. 15, 2000
Date

STATE OF Utah)
COUNTY OF Utah) ss:

On the 15th day of November, 20 00, personally
appeared before me Clay Peck who being
by me duly sworn did say that he/she, the said Signer is
the Managing Member of Peck Rock and Products Co., LC.
and duly acknowledged that said instrument was signed on behalf of said company by
authority of its bylaws or a resolution of its board of directors and said
Clay Peck duly acknowledged to me that said company
executed the same.



Richard D. Norman
Notary Public
Residing at: Lehi, ut

My Commission Expires: 10-20-04

DIVISION OF OIL, GAS AND MINING:

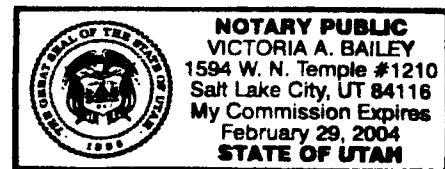
By Lowell P. Braxton 12-1-00
Lowell P. Braxton, Director Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 1st day of December, 20 00,
personally appeared before me Lowell P. Braxton, who being
duly sworn did say that he ~~is~~, the said Lowell P. Braxton
is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources,
State of Utah, and he ~~is~~ duly acknowledged to me that he ~~is~~ executed the foregoing
document by authority of law on behalf of the State of Utah.

Victoria A. Bailey
Notary Public
Residing at: Salt Lake City, UT

February 29, 2004
My Commission Expires:



ATTACHMENT "A"

Thomas J. Peck & Sons, Inc.
Peck Rock and Products LC
Operator
M/049/004
Permit Number

Powell Mine
Mine Name
Utah
County, Utah

The legal description of lands to be disturbed is:

Lease #17806: SW1/4 of Section 34; T5S, R1W
S1/2 of SW1/4; NW1/4 of SW1/4; NE1/4 of SW1/4 of Section 2;
Lots 1, 2, 3, SW1/4 of NE1/4, SE1/4 of NE1/4 of Section 3;
E1/2 of NW1/4, W1/2 of NE1/4, E1/2 of NE1/4, N1/2 of SE1/4
of Section 11, T6S, R1W; and
NW1/4 of SE1/4 of Section 3, T6S, R1W

Lease #35590 NE1/4 of the SE1/4 of Section 3;
SW1/4 of the NW1/4 of Section 2;
T6S, R1W

SLBM, Utah County

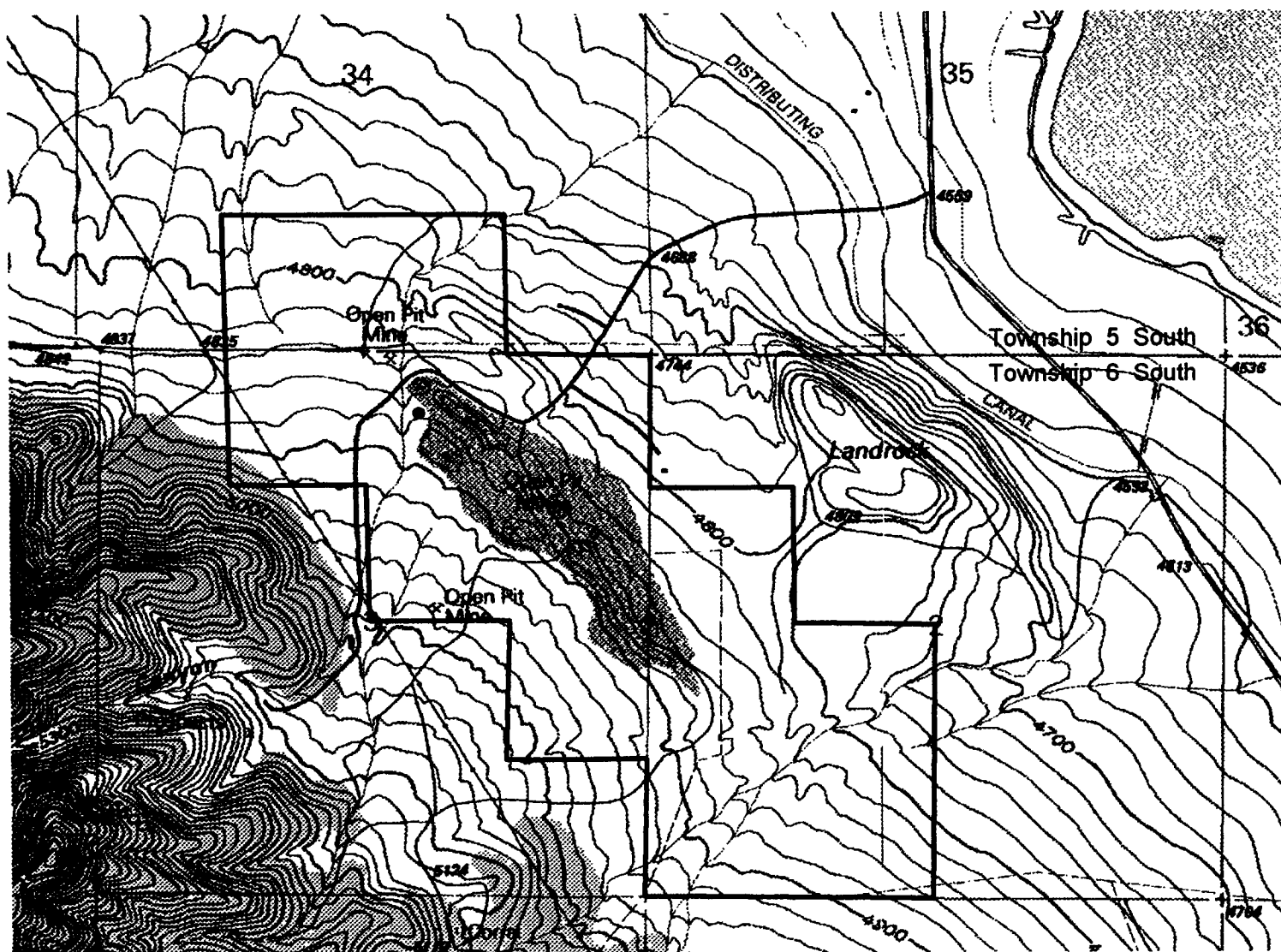
RECEIVED
JAN 19 2000
FBI
CIVIL RIGHTS DIVISION

Powell Pit M/049/004

Legal Description Boundary

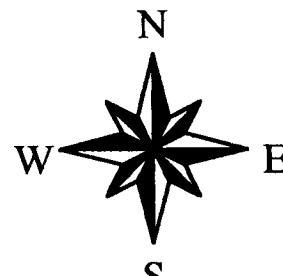
Saratoga Springs Quad

Sec. 34, Township 5 South, Range 1 West
Sections 2 & 3, T 6 S, R 1 W



November 1, 2000

0 1000 2000 3000 4000 5000 6000 Feet

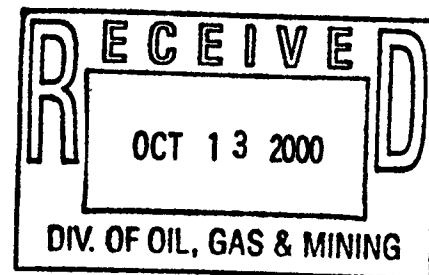


ATTACHMENT B

FORM MR-6
Joint Agency Surety Form
(January 18, 2000)

Bond Number _____
Permit Number M/049/004
Mine Name POWELL MINE
Other Agency File Number ML 17806

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940



THE MINED LAND RECLAMATION ACT

SURETY BOND

PECK ROCK AND PRODUCTS COMPANY, LC AND

The undersigned THOMAS J. PECK AND SONS, INC. as Principal, and EMPLOYERS MUTUAL CASUALTY COMPANY as Surety, hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns unto the State of Utah, Division of Oil, Gas and Mining, and the SCHOOL & INSTITUTIONAL TRUST LANDS ADMINISTRATION in the penal sum of *ONE HUNDRED NINETY THOUSAND AND FOUR HUNDRED dollars (\$ 190,400).

Principal has estimated in the Mining and Reclamation Plan approved by the Division of Oil, Gas and Mining on the 26TH day of JANUARY, ~~20~~ 1989, that 74 acres of land will be disturbed by this mining operation in the State of Utah.

A description of the disturbed land is attached as "Attachment A" to the Reclamation Contract of which this document is an integral part.

The condition of this obligation is that if the Division determines that Principal has satisfactorily reclaimed the disturbed lands in accordance with the approved Mining and Reclamation Plan and has faithfully performed all requirements of the Mined Land Reclamation Act, and complied with the Rules and Regulations adopted in accordance therewith, then this obligation shall be void; otherwise it shall remain in full force and effect.

If the Mining and Reclamation Plan provides for periodic partial reclamation of the disturbed lands, and if the lands are reclaimed in accordance with such Plan, Act and regulations, then Principal may apply for a reduction in the amount of this Surety Bond.

Page 2
MR-6
Joint Agency Surety Bond
Attachment B

Bond Number _____
Permit Number M/049/004
Mine Name POWELL MINE
Other Agency File Number ML 17806

In the converse, if the Mining and Reclamation Plan provides for a gradual increase in the area disturbed or the extent of disturbance, then, the Division may require that the amount of this Surety Bond be increased, with the written approval of the Surety.

This bond may be canceled by the Surety after ninety (90) days following receipt by the Division and Principal of written notice of such cancellation. Surety's liability shall then, at the expiration of said ninety (90) days, cease and terminate except that Surety will remain fully liable for all reclamation obligations of the Principal incurred prior to the date of termination.

Principal and Surety and their successors and assigns agree to guarantee said obligation and to indemnify, defend, and hold harmless the Division from any and all expenses (including attorney fees) which the Division may sustain in the collection of sums due hereunder.

Surety will give prompt notice to Principal and to the Division of the filing of any petition or the commencement of any proceeding relating to the bankruptcy, insolvency, reorganization, or adjustment of the debts of Surety, or alleging any violation or regulatory requirements which could result in suspension or revocation of the Surety's license to do business.

IN WITNESS WHEREOF, the Principal and Surety hereunto set their signatures and seals as of the dates set forth below.

PECK ROCK AND PRODUCTS COMPANY, LC

Principal (Permittee)

Clay Thomas Peck

By (Name/typed):

Managing Member

Title

Clay Thomas Peck

Signature

Surety Company

KEVIN W. ANDREWS

Company Officer

ATTORNEY-IN-FACT

Title/Position

K. W. Andrews

Signature

THOMAS J. PECK AND SONS, INC.

Anthony Thomas Peck

BY

President

TITLE

JULY 1, 2000

Date

EMPLOYERS MUTUAL CASUALTY COMPANY

Surety Company Address

DES MOINES, IOWA

City, State, Zip

JULY 1, 2000

Date

Page 3
MR-6
Joint Agency Surety Bond
Attachment B

Bond Number: _____
Permit Number M/049/004
Mine Name POWELL MINE
Other Agency File Number ML 17806

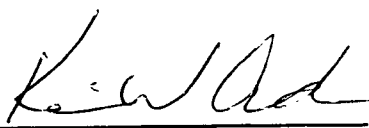
SO AGREED this 1 day of December, 2000.

Lowell P. Braxton
Lowell P. Braxton, Director
Utah State Division of Oil, Gas and Mining

*NOTE: Where one signs by virtue of Power of Attorney for a Surety Company, such Power of Attorney must be filed with this bond. If the Principal is a corporation, the bond shall be executed by its duly authorized officer.

AFFIDAVIT OF QUALIFICATION


On the 1ST day of JULY, 20 00, personally appeared before me _____
KEVIN W. ANDREWS who being by me duly sworn did say that he/she, the said _____
ATTORNEY-IN-FACT is the ATTORNEY-IN-FACT of EMPLOYERS MUTUAL
CASUALTY COMPANY and duly acknowledged that said instrument was signed on behalf of said company
by authority of its bylaws or a resolution of its board of directors and said POWER OF ATTORNEY
_____ duly acknowledged to me that said company executed the same, and that he/she is duly
authorized to execute and deliver the foregoing obligations; that said Surety is authorized to execute the
same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon
bonds, undertaking and obligations.

Signed: 
Surety Officer

Title: ATTORNEY-IN-FACT

STATE OF UTAH)
) ss:
COUNTY OF UTAH)

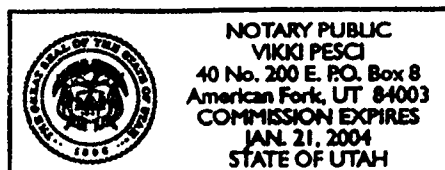
Subscribed and sworn to before me this 1ST day of JULY, 20 00.


Notary Public

Residing at: AMERICAN FORK, UTAH

My Commission Expires:

JANUARY 21, 20 04



EMC Insurance Companies

P.O. Box 712 • Des Moines, Iowa 50303

Nc.

CERTIFICATE OF AUTHORITY INDIVIDUAL ATTORNEY-IN-FACT**KNOW ALL MEN BY THESE PRESENTS, that:**

1. Employers Mutual Casualty Company, an Iowa Corporation
2. EMCASCO Insurance Company, an Iowa Corporation
3. Union Insurance Company of Providence, an Iowa Corporation
4. Illinois EMCASCO Insurance Company, an Illinois Corporation

5. Dakota Fire Insurance Company, a North Dakota Corporation
6. EMC Property & Casualty Company, an Iowa Corporation
7. The Hamilton Mutual Insurance Company, an Ohio Corporation

hereinafter referred to severally as "Company" and collectively as "Companies", each does, by these presents, make, constitute and appoint:

KATHRYN LEAVITT, INDIVIDUALLY, MESQUITE, NEVADA, KEVIN W. ANDREWS, FLOYD R. HILTON, R. CRAIG HILTON, EILEEN MURDOCK, JOYCE OLSON, VIKKI, PESCI, JAYNE R. ANDREWS, INDIVIDUALLY, AMERICAN FORK, UTAH.....

its true and lawful attorney-in-fact, with full power and authority conferred to sign, seal, and execute its lawful bonds, undertakings, and other obligatory instruments of a similar nature as follows:

IN AN AMOUNT NOT EXCEEDING TEN MILLION DOLLARS (\$10,000,000.00)

and to bind each Company thereby as fully and to the same extent as if such instruments were signed by the duly authorized officers of each such Company, and all of the acts of said attorney pursuant to the authority hereby given are hereby ratified and confirmed.

The authority hereby granted shall expire April 1, 2003 unless sooner revoked.**AUTHORITY FOR POWER OF ATTORNEY**

This Power-of-Attorney is made and executed pursuant to and by the authority of the following resolution of the Boards of Directors of each of the Companies at a regularly scheduled meeting of each company duly called and held in 1999:

RESOLVED: The President and Chief Executive Officer, any Vice President, the Treasurer and the Secretary of Employers Mutual Casualty Company shall have power and authority to (1) appoint attorneys-in-fact and authorize them to execute on behalf of each Company and attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and (2) to remove any such attorney-in-fact at any time and revoke the power and authority given to him or her. Attorneys-in-fact shall have power and authority, subject to the terms and limitations of the power-of-attorney issued to them, to execute and deliver on behalf of the Company, and to attach the seal of the Company thereto, bonds and undertakings, recognizances, contracts of indemnity and other writings obligatory in the nature thereof, and any such instrument executed by any such attorney-in-fact shall be fully and in all respects binding upon the Company. Certification as to the validity of any power-of-attorney authorized herein made by an officer of Employers Mutual Casualty Company shall be fully and in all respects binding upon this Company. The facsimile or mechanically reproduced signature of such officer, whether made heretofore or hereafter, wherever appearing upon a certified copy of any power-of-attorney of the Company, shall be valid and binding upon the Company with the same force and affect as though manually affixed.

IN WITNESS WHEREOF, the Companies have caused these presents to be signed for each by their officers as shown, and the Corporate seals to be hereto affixed this 10th day of March, 2000.

Seals



RUTA KRUMINS
MY COMMISSION EXPIRES
September 30, 2000

Bruce G. Kelley
Bruce G. Kelley, Chairman
of Companies 2, 3, 4, 5 & 6; President
of Company 1; Vice Chairman and
CEO of Company 7

Donald L. Coughenower
Donald L. Coughenower
Assistant Secretary

On this 10th day of March AD 2000 before me a Notary Public in and for the State of Iowa, personally appeared Bruce G. Kelley and Donald L. Coughenower, who, being by me duly sworn, did say that they are, and are known to me to be the Chairman, President, Vice Chairman and CEO, and/or Assistant Secretary, respectively, of each of The Companies above; that the seals affixed to this instrument are the seals of said corporations; that said instrument was signed and sealed on behalf of each of the Companies by authority of their respective Boards of Directors; and that the said Bruce G. Kelley and Donald L. Coughenower, as such officers, acknowledge the execution of said instrument to be the voluntary act and deed of each of the Companies. My Commission Expires September 30, 2000.

Ruta Krumins
Notary Public in and for the State of Iowa

CERTIFICATE

I, David L. Hixenbaugh, Vice President of the Companies, do hereby certify that the foregoing resolution of the Boards of Directors by each of the Companies, and this Power of Attorney issued pursuant thereto on March 10, 2000 on behalf of Kathryn Leavitt, Kevin W. Andrews, Floyd R. Hilton, R. Craig Hilton, Eileen Murdock, Joyce Olson, Vikki Pesci, Jayne R. Andrews are true and correct and are still in full force and effect.

In Testimony Whereof I have subscribed my name and affixed the facsimile seal of each Company this _____ day of _____.

David L. Hixenbaugh
Vice-President